

BEFORE THE TENNESSEE REGULATORY AUTHORITY AT

NASHVILLE, TENNESSEE

November 27, 2000

IN RE:)	
)	
BELLSOUTH TELECOMMUNICATIONS, INC.)	DOCKET NO.
TARIFF FILING FOR CONTRACT SERVICE)	00-00677
ARRANGEMENT TN99-7617-04)	

**ORDER GRANTING APPROVAL OF BELLSOUTH
CONTRACT SERVICE ARRANGEMENT (TN99-7617-04)**

This matter came before the Tennessee Regulatory Authority (“Authority”) at a regularly scheduled Authority Conference held on September 12, 2000 for consideration of BellSouth Telecommunications, Inc.’s (“BellSouth”) Tariff Filing for Contract Service Arrangement TN99-7617-04 (“CSA”). BellSouth filed Tariff No. 00-00677 with the Authority on August 1, 2000, with the proposed effective date of August 31, 2000.

The Authority first considered this CSA at a regularly scheduled Authority Conference on August 29, 2000. During the Conference, the Directors noted that the CSA contained a provision requiring binding arbitration by a private arbitrator in the event that a party breaches the contract. The Directors expressed concern over the fact that such arbitration could affect the terms of the termination provisions, a matter within the sole jurisdiction of the Authority. After hearing comments from BellSouth, the

Directors voted unanimously to suspend the tariff and defer the matter until September 12, 2000. The Directors explained that the deferral would allow BellSouth to submit additional information addressing their concerns.

BellSouth filed a letter with the Authority on September 8, 2000 in regard to the arbitration provision. Specifically, BellSouth stated: "The arbitration provision, therefore, does nothing whatsoever to alter the TRA's authority to review and approve the termination provision of the CSA." During the September 12, 2000 Authority Conference, the Directors questioned the Authority's General Counsel and counsel for BellSouth regarding the letter. After hearing comments from both counsel, the Directors were satisfied that the arbitration provision would not encroach upon the Authority's jurisdiction.

Based upon careful consideration of the tariff filing and the attachments thereto, the Authority makes the following findings and conclusions:

1. This CSA is an amendment that renews and extends CSA TN97-3836-00. The CSA modifies several of the terms and conditions in TN97-3836-00 and adds additional rate elements for Frame Relay service. Frame Relay service utilizes a special network, separate from the public switched network, for providing customers with high-speed data transport between multiple locations.
2. The term of the CSA is thirty-seven (37) months.
3. Through this CSA, BellSouth waives installation charges on the new rate elements. In addition, the CSA contains recurring rates for all elements that are equal to those set forth in the tariff for customers under a thirty-seven (37) to sixty (60) month contract.

4. If the customer disconnects any of its connections prior to the expiration of the CSA thereby causing its total number of connections to be less than four-hundred and seventy-five (475), the customer must pay the initially waived nonrecurring charges for each disconnected circuit. In addition, the customer must pay a one-time, contract preparation fee of \$561.00.

5. BellSouth did not provide the Tennessee Addendum, but the contract contains language evidencing competitive alternatives.¹

6. BellSouth supplied cost data which indicates that the price of services offered under the CSA exceed their long-run incremental costs. This data indicates that BellSouth has complied with the statutory price floor established in Tenn. Code Ann. § 65-5-208(c).

7. No parties sought to intervene in this docket.

Based upon the foregoing, the Directors unanimously determined that the CSA in this docket should be granted.

IT IS THEREFORE ORDERED THAT:

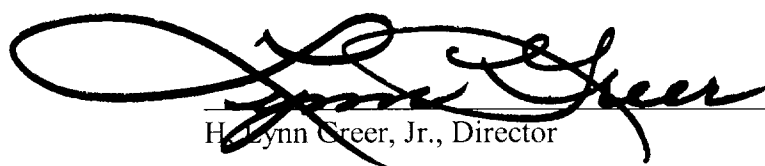
BellSouth Telecommunications, Inc.'s Tariff No. 00-00677, which seeks approval of Contract Service Arrangement No. TN99-7617-04, is hereby granted subject to BellSouth notifying the customer in writing that BellSouth waives any right to collect

¹ BellSouth began filing the Tennessee Addendum as part of its CSA filings after the Authority held in Docket Nos. 99-00599 and 99-00600 that proof of the customer's acknowledgement of competitive alternatives was necessary. The Tennessee Addendum is signed by the customer and contains the customer's acknowledgment that competitive alternatives exist.

termination charges higher than the lesser of the CSA termination charges or the termination charges established in Docket No. 00-00702 and agreeing to send copies of the notification letters to the Authority.²



Sara Kyle, Chairman



Hollynn Greer, Jr., Director



Melvin J. Malone, Director

ATTEST:



K. David Waddell, Executive Secretary

²Rulemaking Proceeding - Regulations for Term Arrangements for Telecommunications Services, Docket No. 00-00702, was opened by the Directors to establish rules in order to regulate the use of CSAs and tariff term plans by Independent and Competing Local Exchange Carriers. BellSouth agreed to this condition during the deliberations of Docket No. 00-00627 at the August 15, 2000 Authority Conference. See *Transcript of Authority Conference*, p. 38-40 (August 15, 2000).